



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

**EXECUTIVE DIRECTIVE
No. 2006 – 2**

21ST CENTURY ENERGY PLAN

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, under Section 8 of Article V of the Michigan Constitution of 1963 each principal department of state government is under the supervision of the Governor unless otherwise provided by the Constitution;

WHEREAS, it is critical to the public health, safety, and economic welfare of the State of Michigan to have reliable, safe, clean, and affordable supplies of energy;

WHEREAS, recent price shocks in the international and domestic energy markets have resulted in rising energy costs that have placed increased strain on Michigan businesses and citizens, especially low-income residents struggling to pay utility bills;

WHEREAS, Michigan has the intellectual, agricultural, and industrial capabilities to become America's alternative energy development epicenter, which offers a tremendous opportunity to diversify our economy and provide high-tech, high-wage, 21st century jobs to our residents;

WHEREAS, the Michigan Public Service Commission prepared and issued the Capacity Need Forum Report on January 3, 2006, after consultation with stakeholders representing all segments interested in the electric energy market including representatives from customer groups, business groups, utilities, independent transmission companies, environmental groups, energy efficiency advocates, independent power developers, and alternative and renewable energy providers, and this report makes clear that Michigan will need additional electric supply to meet its needs beginning in the year 2009;

WHEREAS, the Capacity Need Forum Report reflects a concern that institutional factors, including existing state laws and regulatory constraints, may impede the development of reliable, safe, clean and affordable electric energy supplies to meet the needs of our citizens and businesses;

WHEREAS, knowledge of the nature, location, and reliability of energy supplies, including the availability of alternative energy supplies, is critical to effective long term planning for this state and local units of government, including law enforcement, infrastructure development, transportation and land use planning, as well as for businesses seeking to locate or expand in Michigan;

WHEREAS, Michigan's unique geography increases the challenges for transporting energy and increases the need for a focus on the unique needs of both the Lower and Upper Peninsulas;

WHEREAS, a comprehensive energy plan can provide a framework for the state's future energy needs and stimulate economic growth by planning for a reliable, safe, clean, and affordable supply of energy for Michigan's future;

NOW, THEREFORE, I, JENNIFER M. GRANHOLM, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, direct the following:

A. Not later than December 31, 2006, the Chairman of the Michigan Public Service Commission shall prepare a proposed Energy Plan for the State of Michigan. The plan shall address the following:

1. The state's short-term and long-term electric needs for residential, industrial, commercial, and governmental customers shall be met in an optimum manner that assures a reliable, safe, clean, and affordable supply.

2. The future development of Michigan's electric infrastructure shall further the state's competitive business climate, grow jobs, and provide affordable rates for all customers.

3. The appropriate use and application of energy efficiency, alternative energy technology, and renewable energy technologies shall be consistent with the goal of assuring reliable, safe, clean and affordable energy.

4. This state's natural resources and the environment shall be protected from pollution, physical or visual impairment, or destruction, and future risks associated with fossil fuels shall be mitigated.

5. A renewable portfolio standard shall be created that establishes targets for the share of this state's energy consumption derived from renewable energy sources.

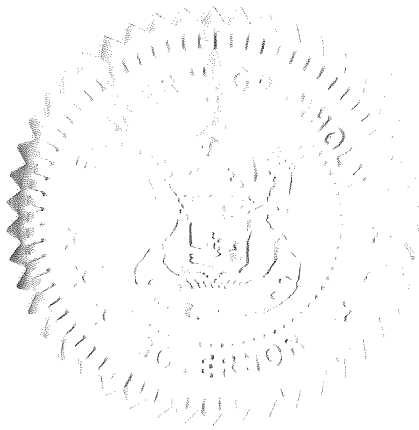
6. New technology options to generate, transmit, or distribute energy more cleanly or more efficiently shall be identified.

7. The state's economic interest in ensuring development of the intellectual capital, financing, infrastructure, and other resources necessary for continued growth of alternative and renewable energy technologies within the state shall be fostered.

8. The plan shall identify any legislative or regulatory changes necessary to its implementation, together with any financial, funding, or incentive mechanisms needed to best position the state to meet the energy challenges of the future.

B. The Chairman of the Public Service Commission shall consult with the directors of state departments and agencies as he or she deems necessary or advisable, and shall consult with appropriate stakeholder representatives. All departments, agencies, committees, commissioners, or officers of this state shall give to the Chairman of the Public Service Commission any necessary assistance to fulfill this Directive. Free access also shall be given to any books, records, or documents in its, his, or her custody, relating to matters within the scope of inquiry, study, or investigation of the Chairman of the Public Service Commission under this Directive.

This Directive is effective upon filing.



Given under my hand this sixth day of April in the year of our Lord, two thousand and six.


JENNIFER M. GRANHOLM